

Foreword

In our 1998 memoir *Two Lucky People*, we described our participation in the filming of the *Free to Choose* television program as “the most exciting venture of our lives.” As Rose wrote: “It all seems like something of a fairy tale. Who would have thought that after retiring from teaching, Milton would be able to preach the doctrine of human freedom to many millions of people around the globe through television, millions more through our book based on the television program, and countless others through videocassettes.”

And who would have thought that nearly a quarter century later, the program and the book would have enough life to justify the splendid conference that the Federal Reserve Bank of Dallas staged and to bring forth the excellent set of papers reprinted in this volume.

The program and the book are still alive because the problems they deal with—free trade, regulation, business cycles, welfare state, inequality, consumer protection, worker protection, inflation—are all still with us, and how we handle them will affect both our prosperity and our freedom. One very important thing, however, *is* different. Thanks largely to the collapse of the Soviet Union, there has been a dramatic change in the climate of opinion around the world.

A quarter century ago, most people believed that socialism was a viable system for promoting material prosperity and human freedom; many believed it was the most promising system for doing so. Few people anywhere in the world believe that today. Idealistic faith in socialism still lives on, but only in some ivory tower enclaves in the West and in some of the most backward countries elsewhere. A quarter century ago, many people were convinced that capitalism, based on free private markets, was a deeply flawed system that was not capable of achieving both widely shared prosperity and human freedom. Today it is increasingly recognized that capitalism is the only system that can do so.

While the main thesis of *Free to Choose* has become conventional wisdom, conventional practice, at least in the West, has not changed. Political leaders in

capitalist countries who cheer the collapse of socialism in other countries continue to favor socialist solutions in their own. They know the words, but they have not learned the tune. The widespread vested interests created by socialist measures retain their political power and continue to resist any major reform. There is a true tyranny of the status quo. And yet, the change in opinion has kept down the growth of government and is widening the role of markets.

The most dramatic changes in the past quarter century have come in the formerly communist countries. In those, literally billions of people have come from under despotism and achieved a greater measure of freedom. For many, the freedom is still highly limited—greater economic freedom but still limited civic and political freedom. However, the transition is still in its early stages and cannot be stopped. The change is unprecedented.

The essays in this book deal with the same subjects as the TV program and the book *Free to Choose*, but they do so in tune with today's conventional wisdom, not that of a quarter of a century ago. We found them refreshing and informative to hear and to read, and I am sure you will as well.

We are very much indebted to Robert McTeer, Jr., president of the Federal Reserve Bank of Dallas, and to his associates, especially Harvey Rosenblum, Mark Wynne, and Robert Formaini, for organizing this splendid conference and persuading so many eminent scholars to present papers. We especially appreciate the effort they took to make the experience pleasurable for two nonagenarians.

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